

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND
BILL NO. 01-37

Introduced by Council President Hirsch at the request of the County Executive

Legislative Session Day No. 01-35

Date: November 27, 2001

AN EMERGENCY ORDINANCE to authorize and empower Harford County, Maryland to borrow, upon its full faith and credit, and to issue and sell its bonds or other form of indebtedness therefor, in the aggregate principal amount not to exceed FORTY TWO MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$42,825,000), to be designated as "Harford County Water and Sewer Refunding Bonds, Series 2002" (the "Refunding Bonds"), the proceeds thereof to be used for the purpose of refunding: (a) such amounts of the County's \$3,722,000 Harford County Water Quality Bonds of 1990 (the "1990 Bonds", and such 1990 Bonds as remain outstanding and are to be refunded, the "Outstanding 1990 Bonds"), (b) such amounts of the County's \$14,400,000 Harford County Water Quality Bonds of 1991 (the "1991 Bonds", and such 1991 Bonds as remain outstanding and are to be refunded, the "Outstanding 1991 Bonds"), (c) and such amounts of the County's \$36,096,998 Harford County Water Quality Bonds of 1996 (the "1996 Bonds", and such 1996 Bonds as remain outstanding and are to be refunded, the

By the Council, November 27, 2001

Introduced, read first time, ordered posted and public hearing scheduled

on: December 18, 2001

at: 7:45 p.m.

By Order: James E. Massey, Jr. Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on December 18, 2001, and concluded on December 18, 2001.

James E. Massey, Jr. Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND**

BILL NO. 01-37

Introduced by Council President Hirsch at the request of the County Executive

Legislative Session Day No. 01-35

Date: November 25, 2001

of Harford County to adopt an administrative resolution that shall provide for additional details incident thereto, including, but not limited to, specifying other outstanding issues of the County's Bonds in addition to the Outstanding 1990 Bonds, the Outstanding 1991 Bonds and the Outstanding 1996 Bonds to be redeemed with the proceeds of the Refunding Bonds as the County Council of Harford County may determine to be in the best interests of the County, amendments to the form of the Refunding Bonds as approved by this Ordinance, the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of the Refunding Bonds, and the payment of all necessary expenses in connection therewith, the rate or rates of interest to be paid, maturity schedule, redemption provisions and generally for such other matters as may be deemed appropriate by the County Council of Harford County in connection therewith; providing for the disbursement of the proceeds of the sale of the Refunding Bonds and for the levying of taxes and for the payment of

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled
on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND
BILL NO. 01-37**

Introduced by Council President Hirsch at the request of the County Executive

Legislative Session Day No. 01-35

Date: November 27, 2001

the principal or aggregate amount of, and interest on, the Refunding Bonds as they shall mature; providing for the private (negotiated) sale of the Refunding Bonds without the solicitation of offers for the purchase of the Refunding Bonds; providing that, upon written request of the County Executive and by administrative resolution of the County Council of Harford County, the County may elect to offer the Refunding Bonds for purchase at public sale after competitive bid or, to the extent practical, pursuant to the procurement law of the County, Chapter 41 of the Harford County Code, if such public sale is determined by the County Council of Harford County to be in the best interests of the County; providing that the Refunding Bonds shall be issued upon the full faith and credit of Harford County, Maryland; providing that upon recommendation of the County Executive, the Refunding Bonds may be consolidated for sale with Harford County General Obligation Bonds of 2002 and sold, being designated Harford County Consolidated Public Improvement and Refunding Bonds, Series 2002; generally providing for and determining various matters in connection with the issuance, sale and delivery of the Refunding Bonds, and declaring the matters described in this Bill to be of an emergency nature affecting the health, safety and welfare of the citizens of Harford County, Maryland.

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

RECITALS

WHEREAS, Harford County, Maryland (the "County") has heretofore issued its \$3,722,000 Harford County Water Quality Bonds of 1990 (the "1990 Bonds", and such 1990 Bonds as remain outstanding (the "Outstanding 1990 Bonds") all as described in Exhibit A hereto, its \$14,400,000 Harford County Water Quality Bonds of 1991 described in Exhibit B hereto (the "1991 Bonds", and such 1991 Bonds as remain outstanding, the "Outstanding 1991 Bonds"), and its \$36,096,998 Harford County Water Quality Bonds of 1996, described in Exhibit C hereto (the "1996 Bonds", and such 1996 Bonds as remain outstanding, the "Outstanding 1996 Bonds"), collectively, the Outstanding 1990 Bonds, the Outstanding 1991 bonds and the Outstanding 1996 Bonds and such other bonds of the County that may be refunded by virtue of the authority of this Ordinance as specifically provided in a Resolution of the County Council of Harford County adopted subsequent to the passage of this Ordinance, are hereinafter referred to as the "Outstanding Bonds"), which exhibits are incorporated herein by reference and made a part hereof; and

WHEREAS, the public purposes for which the proceeds of the 1990 Bonds, the 1991 Bonds and the 1996 Bonds were authorized to be spent, the amounts (or maximum amounts) authorized to be spent for each such public purpose, and the probable average useful life of the projects financed with the proceeds of each such series of bonds are specified in (or incorporated by reference into) the Bond Authorization Ordinance for each such series specified in Exhibits A, B and C attached hereto (each, a "Bond Ordinance"). All terms defined in Exhibits A, B and C hereto shall have the meanings given such terms therein; and

WHEREAS, Section 24 of Article 31 of the Annotated Code of Maryland, as amended (the "Refunding Act"), provides that a county which has power under any public general or public local law to borrow money and to evidence the borrowing by the issuance of its general obligation bonds, revenue bonds or other evidences of obligation by whatever name known or source of funds secured, may issue bonds for the purpose of refunding any of its bonds then outstanding, including

1 the payment of any redemption premium and any interest accrued or to accrue to the date of
2 redemption, purchase or maturity of the bonds or other obligations; and

3 WHEREAS, the County is authorized to borrow money and to evidence the borrowing by
4 the issuance of its general obligation bonds by Section 5(P) of Article 25A of the Annotated Code of
5 Maryland, as amended ("Article 25A"), Section 524 of the Harford County Charter (the "Charter")
6 and Sections 123-40 and 256-26 of the Code of Harford County (the "Code"); and

7 WHEREAS, refunding bonds may be issued under the authority of the Refunding Act for
8 the public purpose of:

9 (a) Realizing savings to the issuer in the aggregate cost of debt service on either a direct
10 comparison or present value basis; or

11 (b) Debt restructuring that

12
13 (i) in the aggregate effects such a reduction in the cost of debt service; or

14 (ii) is determined by the governing body to be in the best interests of the
15 issuer, to be consistent with the issuer's long-term financial plan, and to realize a financial
16 objective of the issuer including improving the relationship of debt service to a source of
17 payment such as taxes, assessments, or other charges; and

18 WHEREAS, the Refunding Act further provides that the power to issue refunding bonds
19 shall be deemed additional and supplemental to the issuer's existing borrowing power, and the
20 procedures for the issuance of refunding bonds shall be the same as those applicable to the bonds
21 or other obligations being refunded, except that refunding bonds may be sold on a negotiated
22 basis without solicitation of bids if the issuer determines in a public meeting that such procedure
23 is in the public interest; and

24 WHEREAS, based on the findings set forth hereinabove, the County Council of Harford
25 County has determined that it is in the best interest of the County to issue its general obligation
26 refunding bonds; and

1 WHEREAS, the County Council of Harford County has determined that its refunding
2 bonds shall be issued in the aggregate principal amount not to exceed Forty Two Million Eight
3 Hundred Twenty Five Thousand Dollars (\$42,825,000) for the purpose of refunding the
4 Outstanding Bonds in whole or in part as set forth in this Ordinance and pursuant to an
5 administrative resolution or resolutions (the "Resolution") to be adopted by the County Council
6 of Harford County upon written recommendation of the County Executive pursuant to this
7 Ordinance; and

8 WHEREAS, the County's refunding bonds shall pay the redemption premium (if any),
9 the interest accrued or to accrue to the date of redemption of the Outstanding Bonds and the costs
10 of issuance of the County's refunding bonds; and

11 WHEREAS, based on the findings hereinabove, the County Council of Harford County
12 has determined that it may be in the best interests of the County to issue portions of its refunding
13 bonds as "capital appreciation bonds", the interest on which shall accrue and be compounded
14 periodically but shall not be payable until the date on which the principal of such bonds is
15 payable at their maturity; and the County Council of Harford County has further determined that
16 any such capital appreciation bonds, if issued, shall be upon the written recommendation of the
17 County Executive and by administrative resolution, and such bonds would not be subject to
18 redemption prior to maturity; and

19 WHEREAS, the Refunding Act further provides that, for the purpose of determining
20 whether refunding bonds issued thereunder are within any debt limitation applicable to an issuer,
21 the amount of the Outstanding Bonds shall be subtracted from, and the amount of such refunding
22 bonds to be issued shall be added to, the aggregate of such issuer's outstanding bonds; and

23 WHEREAS, the County Council of Harford County is hereby authorized to enact an
24 Ordinance adopted in accordance with Section 524 of the Charter and other applicable provisions
25 of law providing for (or setting forth the manner of determining) the issuance and sale, the
26 designation, form, tenor, denomination, maturity or maturities, and the rate or rates of interest

1 payable upon the County's refunding bonds or other form of indebtedness issued under this
2 Ordinance; and to levy annually *ad valorem* taxes upon the assessable property within the
3 County sufficient, together with other taxes and other available funds to provide for the payment
4 of the interest on and principal or accreted amount of the County's refunding bonds issued under
5 this Ordinance; and

6 WHEREAS, the proposed refunding bonds and any other form of indebtedness issued
7 hereunder are within the legal limitations on the indebtedness of the County; and

8 WHEREAS, the final aggregate principal amount of the County's refunding bonds
9 together with certain details of the refunding bonds, including, but not limited to, the form of the
10 refunding bonds, form of various documents as are necessary to implement the financing
11 authorized by this Ordinance, maturity schedule, interest rate or rates, redemption provisions,
12 date of sale, manner of sale (if different from private (negotiated) sale), and purchaser, and
13 appointment of escrow deposit agent as necessary for the Refunding Bonds, shall be determined
14 pursuant to the provisions of a resolution to be adopted by the County Council of Harford
15 County upon the written recommendation of the County Executive pursuant to this Ordinance
16 (the "Resolution"); and

17 WHEREAS, the Resolution may specify issues of County bonds, in addition to the
18 bonds described in Exhibits A, B and C attached hereto which, by virtue of the authority set forth
19 in this Ordinance and in the Resolution, may be refunded with the proceeds from the sale of the
20 Refunding Bonds as the County Council of Harford County may determine to be in the best
21 interests of the County.

22 NOW, THEREFORE, in accordance with the provisions of the Charter, the Code and the
23 laws of the State of Maryland:

24 SECTION 1. Be it enacted by the County Council of Harford County, Maryland, that all
25 terms defined in the foregoing recitals and in Exhibits A, B and C hereto shall have the meanings
26 given such terms therein.

SECTION 2. Be it further enacted by the County Council of Harford County, Maryland, that it is hereby found and determined as follows:

(a) (i) The County has heretofore issued the 1990 Bonds in the original aggregate principal amount listed in Exhibit A hereto for the public purposes and in the amounts (or maximum amounts) for each such public purpose specified in the Bond Ordinance for such series as set forth in Exhibit A hereto. The aggregate principal amount of the Outstanding 1990 Bonds is also set forth in Exhibit A hereto.

(ii) The County has heretofore issued the 1991 Bonds in the original aggregate principal amount listed in Exhibit B hereto for the public purposes and in the amounts (or maximum amounts) for each such public purpose specified in the Bond Ordinance for the 1991 Bonds as set forth in Exhibit B hereto. The aggregate principal amount of the Outstanding 1991 Bonds is also set forth in Exhibit B hereto.

(iii) The County has heretofore issued the 1996 Bonds in the original aggregate principal amount listed in Exhibit C hereto for the public purposes and in the amounts (or maximum amounts) for each such public purpose specified in the Bond Ordinance for the 1996 Bonds as set forth in Exhibit C hereto. The aggregate principal amount of the Outstanding 1996 Bonds is also set forth in Exhibit C hereto.

(b) Interest rates in the municipal bond market for certain corresponding maturities of bonds are currently significantly lower than the rates in existence at the time the 1990 Bonds, the 1991 Bonds and the 1996 Bonds were issued and all or a portion of the administrative fees imposed by the Maryland Water Quality Financing Administration may be eliminated by the refunding of all or a portion of the Outstanding Bonds; and the County's financial advisor has advised the County that it may be able to realize savings in the aggregate cost of debt service and/or administrative fees and charges upon the Outstanding 1990 Bonds, the Outstanding 1991 Bonds and the Outstanding 1996 Bonds, if the Maryland Water Quality Financing Administration consents to the redemption of the Outstanding 1990 Bonds, the Outstanding 1991

1 Bonds and the Outstanding 1996 Bonds prior to their stated maturities, in each case on either a
2 direct comparison or a present value basis, by issuing the County's refunding bonds for the
3 purpose of (i) redeeming all or a portion of (A) the Outstanding 1990 Bonds described in Exhibit
4 A hereto, (B) the Outstanding 1991 Bonds, described in Exhibit B hereto, and (C) the
5 Outstanding 1996 Bonds, described in Exhibit C hereto, all on the dates and at the redemption
6 prices specified in Exhibits A, B and C hereto (or on such other dates and at such other
7 redemption prices as may be specified in the Resolution), and (ii) paying any redemption
8 premium, any interest accrued or to accrue to the date of redemption of the Outstanding Bonds
9 and the costs of issuing the County's refunding bonds. The County understands that the final
10 determination of savings in the aggregate cost of debt service for the Outstanding Bonds
11 refunded shall depend on the actual interest rates available at the time the County's refunding
12 bonds are sold and the other terms and conditions of the sale.

13 (c) It is therefore in the best interest of the County to issue its general obligation
14 refunding bonds (the "Refunding Bonds") for the purpose of redeeming the Outstanding Bonds,
15 as described in Exhibits A, B and C and as may be further described in the Resolution on the
16 dates and at the redemption prices specified in Exhibits A, B and C hereto (or on such other dates
17 or at such other redemption prices as may be specified in the Resolution), and for the purpose of
18 paying any redemption premium, any interest accrued or to accrue to the date of redemption of
19 the Outstanding Bonds and the costs of issuing the Refunding Bonds. Based upon the advice of
20 the County's financial advisor, it may be in the best interest of the County to issue a portion of
21 the Refunding Bonds as capital appreciation bonds, the interest on which shall accrue and be
22 compounded as hereinafter described, but shall not be payable until the date on which the
23 principal of such Refunding Bonds is payable at maturity (hereinafter the "Capital Appreciation
24 Refunding Bonds"). If any Capital Appreciation Refunding Bonds are issued upon the written
25 recommendation of the County Executive and by administrative resolution, the other Refunding

1 Bonds on which interest shall be payable currently (as hereinafter described) shall be hereinafter
2 referred to as "Current Interest Refunding Bonds".

3 (d) The aggregate principal amount of the Refunding Bonds, computed in accordance
4 with subsection (d) of the Refunding Act, is within the legal limitation on the indebtedness of the
5 County as set forth in Section 5(P) of Article 25A. The principal amount of the Capital
6 Appreciation Refunding Bonds for all purposes of this Ordinance shall be, and shall be deemed
7 to be, the amount of original proceeds received by the County from the sale thereof; and such
8 amount shall be hereinafter referred to as the "Original Principal Amount" of the Capital
9 Appreciation Refunding Bonds. The amount payable on the maturity date of each Capital
10 Appreciation Refunding Bond shall be hereinafter referred to as its "Maturity Amount".

11 (e) In order to achieve the flexibility necessary to structure and market the Refunding
12 Bonds to maximize the savings to the County, and pursuant to the County's authority under the
13 Refunding Act, it is in the public interest to sell the Refunding Bonds of each issue on a
14 negotiated basis (without the limited solicitation of offers of the purchase of the Refunding
15 Bonds) and to provide for the award and sale of the Refunding Bonds to the purchaser thereof
16 and various other matters relating to the issuance of the Refunding Bonds including, among other
17 things, the final aggregate principal amount of the Refunding Bonds, the schedule of maturities
18 of the Refunding Bonds, the determination of which Refunding Bonds shall be Current Interest
19 Refunding Bonds and which shall be Capital Appreciation Refunding Bonds, the rates of interest
20 payable on the Current Interest Refunding Bonds of each issue and maturity, the accretion in
21 value of the Capital Appreciation Refunding Bonds of each issue and maturity, or the method of
22 determining such accretion in value, such revisions to the form of Refunding Bond (as set forth
23 in Section 4 of this Ordinance) as may be required for sale, the terms and conditions relating to
24 any optional redemption or mandatory sinking fund redemption, the purchase price of the
25 Refunding Bonds (which may be either at, above or below par), and the appointment of an
26 escrow deposit agent for the Refunding Bonds, by the enactment of the Resolution, which

1 Resolution shall be enacted at the time the Refunding Bonds are to be awarded and sold by
2 private negotiated sale to the purchaser thereof.

3 SECTION 3. Be it further enacted by the County Council of Harford County, Maryland,
4 that the County, pursuant to the authority contained in Section 5(P) of Article 25A of the
5 Annotated Code of Maryland, the Charter, the Code and the Refunding Act, shall borrow upon
6 the full faith and credit of the County and shall issue and sell upon the full faith and credit of the
7 County an aggregate principal amount not to exceed Forty Two Million Eight Hundred Twenty
8 Five Thousand Dollars (\$42,825,000) (or such lesser aggregate principal amount as may be
9 specified in the Resolution) of its bonds in registered form without coupons, such bonds to be
10 known as "Harford County, Maryland Water and Sewer Refunding Bonds, Series 2002". The
11 Refunding Bonds may be issued as Current Interest Refunding Bonds or as a combination of
12 Current Interest Refunding Bonds and Capital Appreciation Refunding Bonds, upon the advice
13 of the County's financial advisor and as shall be determined in the Resolution.

14 SECTION 4. Be it further enacted by the County Council of Harford County, Maryland,
15 that the date of issue of the Current Interest Refunding Bonds (if any), and the date of issue of
16 the Capital Appreciation Refunding Bonds (if any) shall be as provided by the Resolution. The
17 Refunding Bonds shall bear interest at the rate or rates named by the purchaser of the Refunding
18 Bonds at private (negotiated) sale and in such principal amount as shall hereafter be approved
19 upon written recommendation of the County Executive, by the Resolution, and said interest shall
20 be payable semiannually in each of the years that the bonds are outstanding, provided that in no
21 event shall the term to maturity exceed thirty (30) years. The Refunding Bonds shall be issued
22 pursuant to the authority of the Ordinance, shall be issued in denominations of Five Thousand
23 Dollars (\$5,000) each, or any integral multiple thereof, and shall be numbered from one (1)
24 consecutively upward in the order of their maturities. The Refunding Bonds shall mature in such
25 serial annual installments and in such amounts and in such years as shall be approved in the
26 Resolution. Interest on the Refunding Bonds will be payable by check or draft of the Paying

1 Agent mailed to the registered owners thereof. The Refunding Bonds, when issued, shall be
2 executed in the name of Harford County, Maryland, by the facsimile signature of the County
3 Executive of Harford County, Maryland, and a facsimile of the corporate seal of the County shall
4 be imprinted on each of the Refunding Bonds attested by the facsimile signature of the Director
5 of Administration of Harford County and authenticated by the manual signature of a duly
6 authorized officer of the Bond Registrar (defined in Section 20 of this Ordinance). The
7 facsimiles of said signature and said seal shall be engraved, printed or lithographed on each of
8 the Refunding Bonds in accordance with, and pursuant to, the authority of Sections 2-301
9 through 2-306, inclusive, of the State Finance and Procurement Article of the Annotated Code of
10 Maryland, as amended. The Refunding Bonds shall be subject to registration as to principal and
11 interest in the name or names of the owner or owners thereof on books kept for that purpose at
12 the principal office of the Bond Registrar and the principal of the Refunding Bonds shall be
13 payable upon presentation and surrender at the principal office of the Paying Agent (defined in
14 Section 20 of this Ordinance). Payment of interest on the Refunding Bonds shall be made by the
15 Paying Agent on each payment date, to each person appearing on the registration books of the
16 County, maintained by the Bond Registrar, as the registered owner thereof, by check or draft
17 mailed to each such registered owner at his or her address as it appears on such registration
18 books. There shall be printed on each Refunding Bond the text of the approving legal opinion of
19 bond counsel with respect to the Refunding Bonds. Such printed text shall be certified in the
20 name of the County to be a correct copy of said opinion by the facsimile signature of the County
21 Executive of Harford County. Except as provided hereinafter or in resolutions of the County
22 Council of Harford County, Maryland adopted prior to the issuance of the Refunding Bonds, the
23 Refunding Bonds shall be in substantially the following form, which form, together with all
24 covenants and conditions therein contained, is hereby adopted by the County Council of Harford
25 County, Maryland as and for the form of obligation to be incurred by Harford County (unless the
26 County Council of Harford County, Maryland shall determine by the Resolution that the

1 Refunding Bonds shall be issued in book-entry form), and said covenants and conditions,
2 including the promise to pay therein contained, are hereby made binding upon the County in
3 accordance with the endorsement on the Refunding Bonds:
4

\$ _____

No. R- ____

UNITED STATES OF AMERICA

STATE OF MARYLAND

HARFORD COUNTY, MARYLAND

HARFORD COUNTY WATER AND SEWER REFUNDING BONDS, SERIES 2002

<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>CUSIP</u>
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_____, 2002	_____, ____
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Registered Owner:

Principal Sum: _____ (Dollars)

(\$ _____)

HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted and, for value received, promises to pay to the Registered Owner of this bond as set forth above, or registered assignee, the Principal Sum shown hereon on the Maturity Date shown hereon (or earlier as provided herein) upon presentation and surrender of this bond and to pay interest thereon, from the interest payment date next preceding the date of registration and authentication of this bond, unless this bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is registered and authenticated prior to _____, 2002, in which event this bond shall bear interest from _____, 2002, or unless, as shown by the records of the Bond Registrar (hereinafter defined) interest on this bond shall be in default, in which event this bond shall bear interest from the date on which interest was last paid on this bond at the Interest Rate

1 per annum shown hereon until payment of said principal sum, such interest to the maturity hereof
2 being payable on _____, 2002, and semiannually thereafter on the first days of
3 _____ and _____ in each year by check or draft of the Paying Agent
4 hereinafter described mailed to the registered owners thereof as interest becomes due and
5 payable.

6 Both the principal of and interest and premium, if any on this bond will be paid in lawful
7 money of the United States of America, at the time of payment. Payment of the principal of and
8 premium, if any, on this bond shall be made upon presentation and surrender hereof at the
9 principal office of _____, Maryland ("Paying Agent").
10 Payment of interest on this bond shall be made by the Paying Agent on each interest payment
11 date to the person appearing on the registration books of the County maintained by the Bond
12 Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his
13 or her address as it appears on such registration books.

14 This bond shall be registered as to principal and interest in the name of the owner on the
15 registration books kept for that purpose at the principal office of _____
16 _____ Maryland ("Bond Registrar"), and such registration shall be noted on
17 the back of this bond, after which no transfer hereof shall be valid unless made on the said
18 registration books by the registered owner hereof in person or by his duly authorized attorney,
19 and similarly noted on this bond. The County, Bond Registrar and Paying Agent may deem and
20 treat the person in whose name this bond is registered as the absolute owner hereof for all
21 purposes. This bond, upon surrender hereof at the principal office of the Bond Registrar with a
22 written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered
23 owner hereof or his duly authorized attorney, may, at the option of the registered owner hereof,
24 be exchanged for an equal aggregate principal amount of Bonds (hereinafter defined) of
25 authorized denominations and of the same form and tenor as this bond. For every such exchange
26 or transfer of Bonds, the Country or the Bond Registrar shall make a charge for any tax or other

governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the registered owner requesting such exchange or transfer as a condition precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding an interest payment date on the Bonds, or in case of any proposed redemption of Bonds, during the 15 days next preceding the date of the publication of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

This bond is one of a duly authorized issue or series of bonds aggregating Forty Two Million Eight Hundred Twenty Five Thousand Dollars (\$42,825,000) in principal amount, all dated as of _____, 2002 and known as "Harford County, Maryland Water and Sewer Refunding Bonds, Series 2002" (the "Bonds"). The bonds shall be issued as fully registered bonds without coupons in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof. The Bonds mature serially in installments on the first day of ____ in each of the years ____ to ____, inclusive as follows:

_____. The Bonds are numbered from one (1) consecutively upwards in the order of their maturities, are of like tenor except as to maturity, number and interest rate, are issued pursuant to and in full conformity with the provisions of the Charter of Harford County, as amended, and by virtue of due proceedings had and taken by the County Council of Harford County, Maryland, particularly an Ordinance enacted on _____, 2001, entitled Bill No. 01-37 and a Resolution adopted on _____.

The full faith and credit and unlimited taxing power of the County are pledged to the punctual payment of the principal of and interest on this bond according to its terms, and the County covenants and agrees punctually to pay the principal of this bond and the interest thereon, at the dates and in the manner mentioned herein.

The Bonds of the issue which mature on or before _____, ____, are not subject to redemption prior to their maturities. The Bonds which mature on or after _____, ____

shall be subject to redemption prior to their respective maturities as a whole or in part, and if in part, in the inverse order of maturities, at the option of the County on _____, 20__, or on any interest payment date thereafter upon notice of call for redemption given by first class mail postage prepaid, to the registered Owners of the Bonds or by publication at least thirty (30) days prior to the date of redemption in a newspaper published and circulating in Harford County and in the City of Baltimore, Maryland, and also in a financial newspaper published and circulating in the City of New York, New York, at a redemption price, expressed as a percentage of the principal amount of the Bonds to be redeemed, set forth in the table below, together with interest accrued to the date fixed for redemption.

Date of Redemption

Optional Redemption Price

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds to be redeemed shall be selected by lot by the Paying Agent.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity, and neither the members of the County Council of Harford County, Maryland nor any official executing this bond shall be personally liable or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter of Harford County and the Ordinance and Resolution above referred to, and that the issue of bonds of which this is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of said State and the Charter of Harford County, and that due provision has been made for the levy and collection, if and when necessary, of an

1 annual *ad valorem* tax or taxes upon all the legally assessable property within the corporate
2 limits of the County, as prescribed by law, in rate and amount sufficient to provide for the
3 payment, when due, of the interest on and the principal of this bond.

4 In any case where any date of payment of principal of, premium (if any), or interest on
5 this bond, or the date fixed for any redemption of this bond, shall be a Saturday, Sunday or legal
6 holiday observed by the County, then payment of such principal, premium (if any), or interest
7 need not be made on such date but may be made on this next succeeding day which is not a
8 Saturday, Sunday or legal holiday observed by the County with the same force and effect as if
9 made on the date of payment or the date fixed for redemption.

10 This bond shall not be valid or become obligatory for any purpose until this bond shall
11 have been authenticated by the execution by the Bond Registrar, or its successor as and
12 Registrar, of the Certificate of Authentication inscribed hereon.

13 IN WITNESS WHEREOF Harford County, Maryland, has caused this bond to be
14 executed in its name by the facsimile signature of the County Executive, which signature has
15 been imprinted hereon, and has also caused a facsimile of its corporate seal to be imprinted
16 hereon, attested by the facsimile signature of the Director of Administration, all as of the __ day
17 of _____, 2002.

18 Attest:

HARFORD COUNTY, MARYLAND

19
20 _____
21 Director of Administration

County Executive

22 Date of Authentication: _____
23
24

CERTIFICATE OF AUTHENTICATION

1
2
3
4
5
6
7
8
9

This bond is one of the registered bonds of
Harford County, Maryland Water and
Sewer Refunding Bonds, Series 2002

By: _____

(Form of Registration)

(No writing hereon except by an officer of _____, Baltimore, Maryland, Bond Registrar).

<u>Date of Registry</u>	<u>Name of Registered Holder</u>	<u>Registered By</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ (please insert name and address of assignee)

(Tax Identification or Social Security No. _____) the within bond, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or commercial bank or trust company

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

(Form of Certification of Legal Opinion

to appear on panel to left of Filing Back)

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete approving legal opinion of Miles & Stockbridge P.C., Baltimore, Maryland, with respect to the issue of bonds, of which this bond is one, that the original of said opinion was manually executed, dated and issued as of the date of delivery of, and payment for, said issue of bonds and that an executed copy thereof is on file with the Paying Agent.

(Here insert text of legal opinion relating to this issue of bonds.)

1 SECTION 5. Be it further enacted by the County Council of Harford County, Maryland,
2 that the Current Interest Refunding Bonds (if any) shall bear interest at the rate or rates for such
3 Current Interest Refunding Bonds to be established by negotiation in accordance with Section 11
4 of this Ordinance, and such interest shall be payable each year until maturity, and on the maturity
5 or redemption date thereof, until and including the date of maturity or earlier redemption;
6 provided that such interest payment dates may be changed by the Resolution.

7 Each Current Interest Refunding Bond (if any) shall bear interest from the interest
8 payment date next preceding the date of registration and authentication of such Current Interest
9 Refunding Bond, unless such Current Interest Refunding Bond (if any) is registered and
10 authenticated on an interest payment date, in which case it shall bear interest from such interest
11 payment date, or, unless authenticated prior to the first interest payment date, in which case it
12 shall bear interest from the date of issuance of the Refunding Bonds, or unless, as shown by the
13 records of the Bond Registrar, interest on such Current Interest Refunding Bond (if any) shall
14 bear interest from the date to which interest was last paid on such Current Interest Refunding
15 Bond (if any). No current interest will be payable on the Capital Appreciation Refunding Bonds
16 (if any). Interest on the Original Principal Amount of the Capital Appreciation Refunding Bonds
17 (if any) shall accrue from the date of issuance of the Refunding Bonds until the maturity date
18 thereof at the interest rate or rates for such Capital Appreciation Refunding Bonds (if any) to be
19 established by negotiation in accordance with Section 11 of this Ordinance, and shall be
20 compounded semiannually each year until maturity, and shall be payable on the maturity date
21 thereof; provided that such dates may be changed by the Resolution.

22 SECTION 6. Be it further enacted by the County Council of Harford County, Maryland,
23 that prior to the issuance, sale and delivery of any bonds, bond anticipation notes, or any other
24 evidences of indebtedness, pursuant to this Ordinance, the County Council of Harford County
25 shall (without limitation) determine administratively in the Resolution:

1 (a) the substantially final form of instruments or agreements by which the debt or
2 financing authorized herein shall be evidenced (including, but not limited to, bonds, bond
3 anticipation notes, trust agreements and trust indentures);

4 (b) the manner, if any, by which any indebtedness or financing shall be secured In
5 addition to a pledge of the full faith and credit and unlimited taxing power of the County;

6 (c) the maturities to be redeemed of the Outstanding Bonds, the principal amounts, rate
7 or rates of interest or method of determining such rate or rates, date, denominations, maturity
8 payment provisions and prepayment, tender and/or redemption provisions (if any) and other
9 terms and conditions thereof;

10 (d) the substantially final form and contents and consent to the distribution (and shall
11 authorize the execution and delivery, where applicable) of various agreements and documents as
12 are necessary to implement the financing authorized herein, including, but not limited to, a
13 Preliminary Official Statement and/or an Official Statement, a solicitation of offers for purchase
14 of the Refunding Bonds by prospective purchasers of the Refunding Bonds, a Purchase Contract
15 with the underwriter(s) selected (if the Refunding Bonds are sold at private negotiated sale), and
16 if any indebtedness is determined by the Resolution, to be issued in book entry form, securities
17 depository agreements (collectively the "Documents"), required for the issuance, sale and
18 delivery of any evidence of indebtedness or the completion of the financing authorized herein,
19 which Documents shall contain such provisions as may be required by law or to consummate the
20 financing authorized herein;

21 (e) the details of a public sale of the Refunding Bonds after competitive bid, if the
22 County Council of Harford County, Maryland shall determine that such public sale (rather than
23 the manner of sale set forth in Section 11 of this Ordinance) is in the best interests of the County;

24 (f) the manner in which any evidence of indebtedness authorized for issuance by this
25 Ordinance shall be executed, sealed and attested (which may be by facsimile signature and/or
26 seal) if different from the provisions of this Ordinance.

(g) provision for the payment of all necessary expenses of preparing, printing and selling any evidence of indebtedness and the Documents including, without limitation, any and all costs, fees and expenses incurred by or on behalf of the County in connection with the authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in connection with the development of the Documents, including the fees of counsel of the County, and compensation to any persons (other than full-time employees of the County) or entities performing services for or on behalf of the County in connection therewith and in connection with all other transactions contemplated by this Ordinance regardless of whether the proposed financing is consummated;

(h) the manner in which the payment of the purchase price of the Refunding Bonds deposited with the Treasurer shall be transferred for deposit in trust with a trust company or other banking institution as trustee (the "Escrow Deposit Agent") as determined in the Resolution; such Escrow Deposit Agent to apply all or part of the funds so deposited to the purchase of direct obligations of, or obligations the timely payment of the principal of and the interest on which is unconditionally guaranteed by, the United States of America, the principal of and interest on which shall be sufficient to pay in a timely manner all or a part of the principal of and redemption premium, if any, and interest on, such of the Outstanding Bonds as may be identified in the Resolution.

(i) such other matters in connection with the consummation of the financing transactions contemplated by this Ordinance as may be deemed appropriate by the County Council of Harford County, including (without limitation) the appointment of agents (including, but not limited to, trustees, paying agents, indexing agents and/or registrars) in connection with the financing, the execution, acknowledgment, sealing and delivery of such other and further agreements, documents and instruments, and the authorization of the officials of the County to take any and all actions as are or may be necessary or appropriate to consummate the transactions contemplated by this Ordinance in accordance with the terms hereof and of the

1 Resolution. The Resolution shall be deemed to be of an administrative nature and shall be
2 effective upon the date specified in the Resolution.

3 SECTION 7. Be it further enacted by the County Council of Harford County, Maryland,
4 that the term "Outstanding Bonds" as described in this Ordinance shall be deemed to refer to the
5 Outstanding 1990 Bonds, the Outstanding 1991 Bonds, and the Outstanding 1996 Bonds and
6 such additional issues of the County's bonds (if any) as the Resolution may specify to be
7 redeemed with the proceeds of the Refunding Bonds, including payment of redemption
8 premiums and interest accrued, or to accrue to the date of redemption, purchase, or maturity of
9 such additional issues of the County's bonds.

10 SECTION 8. Be it further enacted by the County Council of Harford County, Maryland,
11 that authority is hereby conferred respectively on the County Executive of the County, the
12 Director of Administration, the Treasurer, the County Attorney and the Administrator of the
13 County Council of Harford County, or any of them, and they are hereby directed to take the
14 following actions on behalf of the County:

15 (a) to execute, acknowledge, seal and deliver the Documents substantially in the
16 forms determined administratively by the County Council of Harford County in the Resolution;
17 and

18 (b) to execute, acknowledge, seal and deliver such other and further certificates,
19 certifications, agreements, documents and instruments and take such other actions as they or any
20 one or more of them may deem necessary or appropriate to consummate the transactions
21 contemplated by this Ordinance in accordance with the provisions hereof and of the Resolution.

22 SECTION 9. Be it further enacted by the County Council of Harford County, Maryland,
23 that the Treasurer, or his authorized deputy, is hereby authorized and empowered to prepare and
24 distribute copies of the Documents to any person who may, in his judgment, be interested in
25 participating in the financing described in this Ordinance or who may request the same or
26 information with respect thereto; provided, however, that any preliminary official statement and

1 related material shall be clearly marked to indicate that they are subject to completion and
2 amendment.

3 SECTION 10. Be it further enacted by the County Council of Harford County,
4 Maryland, that, all evidences of indebtedness issued pursuant to this Ordinance shall be secured
5 by the pledge of charges, assessments and receipts of the Water and Sewer System of Harford
6 County, Maryland (collectively, the "Water and Sewer System Receipts", subject to prior
7 pledges) and the pledge of the full faith and credit and unlimited taxing power of the County, and
8 the County shall levy or cause to be levied in all fiscal years in which any such evidences of
9 indebtedness are outstanding in the event the Water and Sewer System Receipts are insufficient
10 to pay such indebtedness, upon all legally assessable property within its corporate limits, *ad*
11 *valorem* taxes in rate and amount sufficient to provide for the payment, when due, of all
12 payments due with respect to such financing in each such fiscal year. If the proceeds from the
13 taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be
14 levied in the succeeding fiscal year to make up such deficiency. The County covenants and
15 agrees with the holders or obligees, from time to time, of any Refunding Bond or any other
16 evidences of indebtedness issued pursuant to this Ordinance to levy and collect the taxes
17 hereinabove described and to take any further action that may be appropriate from time to time
18 during the period that such financing obligations remain outstanding and unpaid to provide the
19 funds necessary to pay the same promptly when due.

20 SECTION 11. Be it further enacted by the County Council of Harford County,
21 Maryland, that the Refunding Bonds may each be sold for a price at, above, or below par, plus
22 accrued interest to the date of delivery. The Refunding Bonds may each be sold on a negotiated
23 basis without solicitation of bids pursuant to the County's authority under the Refunding Act,
24 and such procedure for the sale of the Refunding Bonds is hereby determined to be in the public
25 interest. Notwithstanding the foregoing, upon written recommendation of the County Executive
26 and administrative resolution adopted by the County Council of Harford County, the County may

1 sell the Refunding Bonds by competitively bid requests for proposals and if practical in
2 accordance with the Procurement Law of Harford County, Chapter 41 of the Code.

3 SECTION 12. Be it further enacted by the County Council of Harford County, Maryland,
4 that the County Council of Harford County hereby declares that it is in the public interest of the
5 County that the issuance, sale and delivery of the Refunding Bonds be exempt from the
6 provisions of Section 9, 10 and 11 of Article 31 of the Annotated Code of Maryland, as
7 amended.

8 SECTION 13. Be it further enacted by the County Council of Harford County, Maryland,
9 that the County Council of Harford County hereby authorizes (if the Refunding Bonds are sold
10 by private negotiated sale): (a) the appointment of an underwriter to be determined by executive
11 order of the County Executive in connection with the sale of the Refunding Bonds (the
12 "Underwriter"), and (b) the payment by the County to the Underwriter out of the proceeds of the
13 sale thereof or otherwise for services rendered in connection therewith, in an amount not to
14 exceed a percentage of the principal amount of such financing, such percentage to be determined
15 in the Resolution.

16 SECTION 14. Be it further enacted by the County Council of Harford County,
17 Maryland, that the County Executive is hereby authorized and empowered for and on behalf of
18 the County (a) to cause the preparation, printing, execution and delivery of the Documents, each
19 substantially in the form presented to the County Council of Harford County, Maryland with
20 such modifications, supplements or amendments thereto as may be recommended by counsel;
21 and (b) to do all such things as may be necessary or desirable in the opinion of the County
22 Executive in connection therewith.

23 SECTION 15. Be it further enacted by the County Council of Harford County,
24 Maryland, that, upon written recommendation of the County Executive, the County Council of
25 Harford County, Maryland may, at any time, by resolution(s) of the County Council of Harford
26 County, administrative in nature, authorize the Refunding Bonds to be sold at public sale, change

1 the date of sale, the date of bid opening, the dates of maturity or redemption of the Refunding
2 Bonds, the amount of the Refunding Bonds to be sold (so long as the principal amount does not
3 exceed the maximum principal amount of the Refunding Bonds permitted under this Ordinance)
4 and the amount(s) of Refunding Bonds maturing in each year, the interest payment dates of the
5 Refunding Bonds, appoint paying agents and/or registrars for the bonds, the solicitation for sale,
6 whether ownership of the Refunding Bonds shall be maintained in book entry or certified bond
7 form, and the terms of sale of the Refunding Bonds.

8 SECTION 16. Be it further enacted by the County Council of Harford County,
9 Maryland, that, subsequent to the execution of the purchase agreement between the County and
10 the Underwriter and upon written recommendation of the County Executive, the interest rate or
11 rates payable thereon shall be fixed by the Resolution in accordance with the terms and
12 conditions of the sale of the Refunding Bonds. The Refunding Bonds shall thereupon be suitably
13 printed or engraved and duly executed and delivered to the Underwriter in accordance with the
14 conditions of delivery as shall be set forth in the purchase agreement. The proceeds of the sale of
15 the Refunding Bonds, including any premium and accrued interest received therefor, shall be
16 paid to the Department of the Treasury of Harford County and shall be deposited in a special
17 account of the County. Harford County, Maryland may, at its option, deduct from the gross
18 proceeds received from the sale of the Refunding Bonds the cost of issuing the same, including
19 the cost of advertising, printing and professional fees (including legal) and expenses. There shall
20 be deducted from the total gross proceeds received from the sale of the Refunding Bonds the
21 amount received on account of accrued interest on the Refunding Bonds, which amount shall be
22 set apart by the Treasurer of Harford County in a special fund and applied to the first-maturing
23 interest payment of the Refunding Bonds. The balance of the proceeds of the sale of the
24 Refunding Bonds shall be expended for the purposes set forth in this Ordinance and in the
25 Resolution. If the funds derived from the sale of the Refunding Bonds shall exceed the amount
26 needed to refund all or a portion of the Outstanding Bonds to be refunded, the excess funds so

1 borrowed and not expended by the County shall be applied by the County in payment of the next
2 principal maturity of the Refunding Bonds, unless the County Council of Harford County shall
3 adopt a resolution or ordinance allocating said excess funds for such purposes as may be
4 permitted by then applicable law.

5 SECTION 17. Be it further enacted by the County Council of Harford County, Maryland,
6 that for the purpose of paying the interest on and principal of the Refunding Bonds authorized by
7 this Ordinance to the extent that Receipts of the Water and Sewer System are insufficient for
8 such purposes, there is hereby levied and there shall hereafter be levied in each fiscal year that
9 any of the Refunding Bonds are outstanding, *ad valorem* taxes on real and tangible personal
10 property subject to taxation by the County without limitation on rate or amount; and, in addition;
11 upon such other intangible property as may be subject to taxation by the County within
12 limitations prescribed by law, in an amount sufficient together with funds available from other
13 sources, to pay the annual interest on the Outstanding Bonds and to redeem the Outstanding
14 Bonds maturing during the succeeding year; and the full faith and credit and the unlimited taxing
15 power of the County are hereby irrevocably pledged to the punctual payment of the principal of
16 (or accreted amount) and interest on the Refunding Bonds as and when they mature. Harford
17 County, Maryland, by the passage of this Ordinance hereby covenants and agrees properly and
18 promptly to perform all of the respective acts and duties defined in this Ordinance for the levy
19 and collection of the aforesaid *ad valorem* tax upon all the assessable property within the
20 corporate limits of the County as the levy and collection of such a tax becomes necessary in
21 order to met the debt service requirements of the Refunding Bonds. By this Ordinance, the
22 County agrees to take all action it may be legally authorized and empowered to take in order to
23 enforce, in any year in which any of the Refunding Bonds are outstanding, the guarantee of such
24 Refunding Bonds by the County.

1 SECTION 18. Be it further enacted by the County Council of Harford County,
2 Maryland, that the County covenants and agrees with the registered owners from time to time of
3 the Refunding Bonds as follows:

4 (a) The County covenants that it will not make any use of the proceeds of any of the
5 Refunding Bonds or any moneys, securities or other obligations on deposit to the credit of the
6 County or otherwise which may be deemed by the Internal Revenue Service to be proceeds of
7 any of the Refunding Bonds pursuant to the Internal Revenue Code of 1986, as amended, and
8 Income Tax Regulations thereunder (collectively, the "Code"), which would cause any of the
9 Refunding Bonds to be "arbitrage bonds" or "private activity bonds" within the meaning of the
10 Coda.

11 (b) The County further covenants that it will comply with those provisions of the
12 Code which are applicable to the Refunding Bonds on the date of issuance of the Refunding
13 Bonds and which may subsequently lawfully be made applicable to the Refunding Bonds. To the
14 extent that provisions of the Code apply to only a portion of the Bonds, proceeds of the Bonds or
15 other moneys, securities or other obligations deemed to be proceeds, it is intended that the
16 covenants of the County contained in this Section 18 be construed so as to require the County to
17 comply with the provisions of the Code only to the extent of such applicability.

18 (c) The County further covenants that it will not (i) take any action, (ii) fail to take
19 any action, or (iii) make any use of the proceeds of any of the Refunding Bonds which would
20 cause the interest on any of the Refunding Bonds to be or become subject to federal income taxes
21 in the hands of the registered holders of any of the Refunding Bonds.

22 SECTION 19. Be it further enacted by the County Council of Harford County, Maryland,
23 that the Refunding Bonds shall be executed and attested in the manner described in this
24 Ordinance. In the event that any officer whose signature shall appear on the Refunding Bonds
25 shall cease to be such officer before the delivery of the Refunding Bonds, such signature shall

nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

SECTION 20. Be it further enacted by the County Council of Harford County, Maryland, that the Treasurer is hereby designated and appointed as bond registrar, paying agent and authenticating agent for the Refunding Bonds (the "Bond Registrar"). The Bond Registrar shall maintain books of the County for the registration and transfer of the Refunding Bonds. No Refunding Bonds may be registered to bearer. In addition, the County may from time to time, either prior to or following the issuance of the Refunding Bonds, designate and appoint the Department of the Treasury of the County, any officer or employee of the County or one or more banks, trust companies, corporations or other financial institutions to act as a substitute or alternate bond registrar, paying agent or authenticating agent for the Refunding Bonds, and any such substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such appointment shall be made by the County Council of Harford County by resolution; and the exercise of such power of appointment, no matter how often, shall not be an exhaustion thereof.

SECTION 21. Be it further enacted by the County Council of Harford County, Maryland, that the Refunding Bonds shall be authenticated and shall be subject to registration, exchange and transfer as follows:

(a) No Refunding Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication therefor shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Refunding Bond shall be conclusive evidence that such Refunding Bond has been authenticated and delivered pursuant to this Ordinance. The Bond Registrar's certificate of authentication on any Refunding Bond shall be deemed to have been executed by it if manually signed by an authorized signer of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authenticity on all of the Refunding Bonds issued hereunder.

(b) Each Refunding Bond shall be transferable only upon the books of the County maintained by the Bond Registrar, at the written request of the registered owner thereof or his attorney duly authorized in writing. Any such transfer of such Refunding Bond shall be made, upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Refunding Bond, the County shall issue, and the Bond Registrar shall authenticate, in the name of the transferee, in authorized denominations, a new Refunding Bond or Refunding Bonds of the same aggregate principal amount and of the same form and tenor as the surrendered Refunding Bond. If any Refunding Bond is presented for such purpose at the principal office of the Bond Registrar, the Bond Registrar shall register or cause to be registered in the Bond Register and permit to be transferred thereon, under such reasonable regulations as the County or the Bond Registrar may prescribe, any Refunding Bond entitled to registration or transfer. So long as any of the Refunding Bonds remain outstanding, the County shall cooperate in making all necessary provisions to permit the exchange of Refunding Bonds at the principal office of the Bond Registrar.

The County and the Bond Registrar may deem and treat the person in whose name any Refunding Bond shall be registered upon the books of the County as the absolute owner of such Refunding Bond, whether such Refunding Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or accreted amount of and premium, if any, and interest on such Refunding Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Refunding Bond to the extent of the sum or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Refunding Bonds, upon surrender thereof at the principal office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner

1 thereof, be exchanged for an equal aggregate principal amount of Refunding Bonds (if the
2 Refunding Bonds are Current Interest Refunding Bonds) or an equal aggregate Maturity Amount
3 of Refunding Bonds (if the Refunding Bonds are Capital Appreciation Refunding Bonds) of the
4 same issue and maturity and of any other authorized denominations.

5 In all cases in which the privilege of exchanging Refunding Bonds or transferring
6 Refunding Bonds is exercised, the County shall execute, and the Bond Registrar shall
7 authenticate and deliver, Refunding Bonds in accordance with the provisions of this Ordinance.
8 All Refunding Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled
9 by the Bond Registrar. For every such exchange or transfer of Refunding Bonds, the County or
10 the Bond Registrar shall make a charge for any tax or other governmental charge required to be
11 paid with respect to such exchange or transfer. Such charge shall be paid by the person
12 requesting such exchange or transfer as a condition precedent to the exercise of the privilege of
13 making such exchange or transfer. The Bond Registrar shall not be obligated to make any such
14 exchange or transfer of Refunding Bonds during the 15 days next preceding an interest payment
15 date on the Refunding Bonds, or in case of any proposed redemption of the Refunding Bonds,
16 during the 15 days next preceding the date of the mailing or delivery of notice of such
17 redemption. The Bond Registrar shall not be required to make any transfer or exchange of any
18 Refunding Bonds called for redemption.

19 (c) In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the
20 County may execute, and the Bond Registrar may authenticate, a new Refunding Bond of like
21 issue, date, maturity, interest rate and denomination as that of the Refunding Bond mutilated,
22 lost, stolen or destroyed; provided that, in the case of any mutilated Refunding Bonds, such
23 mutilated Refunding Bonds shall first be surrendered to the Bond Registrar, and in the case of
24 any lost, stolen or destroyed Refunding Bond, there shall be first furnished to the County and the
25 Bond Registrar evidence of such loss, theft or destruction satisfactory to the County and the-
26 Bond Registrar, together with indemnity satisfactory to them. In the event any such Refunding

Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Refunding Bond the Bond Registrar may pay the same without surrender thereof. The County and the Bond Registrar may charge the registered owner of such Refunding Bond their expenses and reasonable fees, if any, in this connection.

SECTION 22. Be It further enacted by the County Council of Harford County, Maryland, that:

(a) certain of the Refunding Bonds may be subject to redemption prior to maturity. The Refunding Bonds so subject to redemption, if any, the redemption dates, the redemption prices, and the method of choosing Refunding Bonds to be redeemed upon a partial redemption, shall be specified in the Resolution.

(b) Unless notice of redemption shall be waived in writing by the registered owners of the Refunding Bonds to be redeemed, a notice calling for redemption of the Refunding Bonds to be redeemed shall be mailed by the Bond Registrar, not less than 30 days nor more than 45 days prior to the date fixed for redemption (the "Redemption Date"), (i) to all registered owners of the Refunding Bonds to be redeemed in whole or in part), at their last addresses appearing on the registration books kept by the Bond Registrar, by first-class mail, postage prepaid; and (ii) (A) to such of The Depository Trust Company, Midwest Securities Trust Company, Pacific Securities Depository Trust Company, Philadelphia Depository Trust Company, as may be directed by the County's financial advisor, and any other registered securities depository hereafter established, and their respective successors and assigns, if any, by certified or registered mail or overnight delivery service, and (B) to at least two national information services that disseminate redemption notices, by certified or registered mail or overnight delivery service; but failure to mail or deliver any such notice or any defect in the notice so mailed or delivered, or in the mailing or delivery thereof, shall not affect the validity of any redemption proceedings. Such notice shall specify the issue, numbers, CUSIP numbers and maturities of the Refunding Bonds to be redeemed (in whole or in part), which statement of numbers may be from

one number to another, inclusive, the Redemption Date and the redemption price, and shall further state that, on the Redemption Date, the Refunding Bonds called for redemption will be due and become payable at the office of the Bond Registrar, and that, from and after the Redemption Date, interest thereon shall cease to accrue. The Bond Registrar will use its best efforts to mail a second notice of redemption to registered owners of Refunding Bonds who have not presented their Refunding Bonds for redemption 60 days after the Redemption Date.

(c) On the Redemption Date, notice having been mailed or waived, and moneys for the payment of the redemption price plus accrued interest being held by the Bond Registrar, the Refunding Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price provided for redemption of such Refunding Bonds (or such portions thereof) on the Redemption Date, interest on such Refunding Bonds so called for redemption shall cease to accrue and the holders or registered owners of such Refunding Bonds so called for redemption shall have no rights in respect thereto except to receive payment of the redemption price thereof, plus accrued interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

(d) If it is determined that a portion, but not all of the principal amount represented by any Refunding Bond is to be called for redemption, then upon notice of intention to redeem such portion, the registered owner of such Refunding Bond shall forthwith surrender such Refunding Bond to the Bond Registrar (i) for payment of the redemption price (including the premium, if any, and interest to the Redemption Date) of the portion of the principal amount thereof called for redemption; and (ii) in exchange for a new Refunding Bond of the unredeemed balance of the principal amount of such Refunding Bond, and having the same form and tenor as such Refunding Bond. If the Refunding Bond is required to be surrendered to the Bond Registrar, a new Refunding Bond or Bonds representing the unredeemed balance of the principal amount of such Refunding Bond shall be issued to the registered owner thereof without charge therefor. If the registered owner of any such Refunding Bond shall fail to present such Refunding Bond to

1 the Bond Registrar for payment and exchange as aforesaid, such Refunding Bond shall
2 nevertheless become due and payable on the date fixed for redemption to the extent of the
3 portion of the principal amount called for redemption (and to that extent only). Interest shall
4 cease to accrue on the portion of the principal amount of such Refunding Bond called for
5 redemption on and after the Redemption Date, and no new Refunding Bonds shall be thereafter
6 issued corresponding to such portion.

7 SECTION 23. Be it further enacted by the County Council of Harford County, Maryland,
8 that the provisions of this Ordinance are severable, and if any provision, sentence, clause, section
9 or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or
10 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect
11 or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance
12 or their application to other persons or circumstances. It is hereby declared to be the legislative
13 intent that this Ordinance would have been passed if such illegal, invalid or unconstitutional
14 provision, sentence, clause, section or part had not been included herein, as if the person or
15 circumstances to which this Ordinance or any part hereof are inapplicable had been specifically
16 exempted therefrom.

17 SECTION 24. Be it further enacted by the County Council of Harford County, Maryland
18 that, upon recommendation of the County Executive, the County Council of Harford County may
19 adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of Maryland, as
20 amended, authorizing the Refunding Bonds to be sold, pursuant to this Ordinance, to be
21 consolidated for sale and issued, sold and delivered as a single issue of bonds with other bonds
22 authorized to be sold by the County.

23 SECTION 25. And be it further enacted by the County Council of Harford County,
24 Maryland, that this act shall take effect on the date it becomes law.

25 SECTION 26. Be it further enacted by the County Council of Harford County,
26 Maryland, that the issuance of Harford County, Maryland Water and Sewer Refunding Bonds,

- 1 Series 2002, is hereby declared to be of an emergency measure affecting the health, safety and
2 welfare of the citizens of Harford County, and it is in the best interests of the County to issue and
3 sell the Refunding Bonds as soon as possible, thereby achieving a savings of interest and other
4 costs to the County.

EFFECTIVE: December 21, 2001

The Council Administrator does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.


Council Administrator

EXHIBIT A

Name of Issue: Harford County Water Quality Bonds of 1990

Date of Issue: November 1, 1990

Original Principal Amount: \$3,722,000

Outstanding Principal Amount: \$2,297,324

Bond Authorization Ordinance: Bill No. 90-28 approved July 3, 1990

<u>Issue</u>	<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Principal</u>
90B	2/01/2002	Serial	4.894%	\$183,553
90B	2/01/2003	Serial	4.894%	192,537
90B	2/01/2004	Serial	4.894%	201,959
90B	2/01/2005	Serial	4.894%	211,843
90B	2/01/2006	Serial	4.894%	222,211
90B	2/01/2007	Serial	4.894%	233,086
90B	2/01/2008	Serial	4.894%	244,493
90B	2/01/2009	Serial	4.894%	256,458
90B	2/01/2010	Serial	4.894%	269,009
90B	2/01/2011	Serial	4.894%	282,175
Subtotal				2,297,324

EXHIBIT B

Name of Issue: Harford County Water Quality Bonds of 1991

Date of Issue: December 1, 1991

Original Principal Amount: \$14,400,000

Outstanding Principal Amount: \$9,842,168

Bond Authorization Ordinance: Bill No. 91-45, approved August 14, 1991

<u>Issue</u>	<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Principal</u>
91A	2/01/2002	Serial	4.458%	\$637,998
91A	2/01/2003	Serial	4.458%	666,439
91A	2/01/2004	Serial	4.458%	696,149
91A	2/01/2005	Serial	4.458%	727,184
91A	2/01/2006	Serial	4.458%	759,601
91A	2/01/2007	Serial	4.458%	793,465
91A	2/01/2008	Serial	4.458%	828,837
91A	2/01/2009	Serial	4.458%	865,787
91A	2/01/2010	Serial	4.458%	904,384
91A	2/01/2011	Serial	4.458%	944,701
91A	2/01/2012	Serial	4.458%	986,816
91A	2/01/2013	Serial	4.458%	1,030,808
Subtotal				9,842,168

EXHIBIT C

Name of Issue: Harford County Water Quality Bond of 1996

Date of Issue: February 1, 1996

Original Principal Amount: \$36,096,998

Outstanding Principal Amount: \$30,682,448

Bond Authorization Ordinance: Bill No. 95-43, approved July 18, 1995

<u>Issue</u>	<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Principal</u>
96	2/01/2002	Serial	4.000%	\$1,804,850
96	2/01/2003	Serial	4.000%	1,804,850
96	2/01/2004	Serial	4.000%	1,804,850
96	2/01/2005	Serial	4.000%	1,804,850
96	2/01/2006	Serial	4.000%	1,804,850
96	2/01/2007	Serial	4.000%	1,804,850
96	2/01/2008	Serial	4.000%	1,804,850
96	2/01/2009	Serial	4.000%	1,804,850
96	2/01/2010	Serial	4.000%	1,804,850
96	2/01/2011	Serial	4.000%	1,804,850
96	2/01/2012	Serial	4.000%	1,804,850
96	2/01/2013	Serial	4.000%	1,804,850
96	2/01/2014	Serial	4.000%	1,804,850
96	2/01/2015	Serial	4.000%	1,804,850
96	2/01/2016	Serial	4.000%	1,804,850
96	2/01/2017	Serial	4.000%	1,804,850
96	2/01/2018	Serial	4.000%	1,804,850
Subtotal				30,682,448

BILL NO. 01-37HARFORD COUNTY BILL NO. 01-37Brief Title) Refunding of Water and Sewer Bonds

is herewith submitted to the County Council of Harford County for
enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT**ENROLLED**

James E. Massey, Jr.
Administrator

[Signature]

Date 12-18-01Date 12/18/01**BY THE COUNCIL**

Read the third time.

Passed: LSD 01-38 (December 18, 2001)

Failed of Passage: _____

By Order

James E. Massey, Jr.
Council Administrator

Sealed with the County Seal and presented to the County Executive for
approval this 19th day of December, 2001, at 4:00 p.m.



James E. Massey, Jr.
Council Administrator

BY THE EXECUTIVE

[Signature]
COUNTY EXECUTIVE

APPROVED:

Date 12-21-01**BY THE COUNCIL**

This Bill (No. 01-37), having been approved by the Executive and returned to the Council, becomes
law on December 21, 2001.

James E. Massey, Jr.
Council Administrator

Effective Date: December 21, 2001

BILL NO. 01-37